IN THE UNITED STATES BANKRUPTCY COURT FOR THE WESTERN DISTRICT OF TEXAS WACO DIVISION

In re:

\$ Lead Case No. 21-60162-rbk
\$ Second Case No. 21-60163-rbk
DARYL GREG SMITH and
\$ CANADIAN RIVER RANCH, LLC
\$ Chapter 11

Debtors. § (Jointly Administered Under & Case No. 21-60162-rbk)

EXPEDITED MOTION OF MUNSCH HARDT KOPF & HARR, P.C. TO WITHDRAW AS COUNSEL FOR THE DEBTORS

TO THE HONORABLE RONALD B. KING, U.S. BANKRUPTCY JUDGE:

COMES NOW Munsch Hardt Kopf & Harr, P.C. ("Munsch Hardt") and, to the extent necessary, together with each attorney at Munsch Hardt who has appeared for Daryl Greg Smith ("Mr. Smith") and for Canadian River Ranch, LLC ("CRR," together with Mr. Smith, the "Debtors"), the debtors-out-of-possession in this Bankruptcy Case, and files this *Expedited Motion to Withdraw as Counsel for the Debtors* (the "Motion"), respectfully stating as follows:

- 1. Munsch Hardt represents, and has represented since the beginning of this Bankruptcy Case, both Debtors.
- 2. By this Motion, Munsch Hardt seeks leave to withdraw from representing the Debtors in this Bankruptcy Case, except solely with respect to the *Motion of Chapter 11 Trustee* to *Hold the Debtor in Contempt* [Docket No. 291] filed by the Trustee against Mr. Smith (at least until Mr. Smith locates replacement counsel or until he fires Munsch Hardt).
- 3. Good cause exists for allowing Munsch Hardt to withdraw its representation of the Debtor. "An attorney may withdraw from representation only upon leave of the court and a showing of good cause and reasonable notice to the client." *In re Wynn*, 889 F.2d 644, 646 (5th Cir. 1989). Pursuant to Texas Disciplinary Rules of Professional Conduct, counsel may

withdraw from representing a client under certain circumstances, including, but not limited to where "a client insists upon pursuing an objective that the lawyer considers repugnant or imprudent or with which the lawyer has fundamental disagreement" or "other good cause for withdrawal exists." *See* Tex. Disciplinary R. Prof. Conduct R. 1.15(b)(4), (7).

- 4. Without disclosing privileged information, Mr. Smith has instructed and requested that Munsch Hardt file certain pleadings and take certain actions in this Bankruptcy Case that the undersigned has informed Mr. Smith neither he as lead counsel, nor anyone else at Munsch Hardt, would file or would undertake. There has been a complete breakdown of the attorney-client relationship, and the trust that one has in the other. The breakdown has lasted for months and is irreparable. To the extent the Court needs more information, Munsch Hardt is prepared to explain its position *in camera* or otherwise without violating Mr. Smith's rights, since the situation is of no legitimate concern to anyone other than Mr. Smith, Munsch Hardt, and the Court.
- 5. The Debtors will not be unduly prejudiced by the requested withdrawal: (i) Munsch Hardt will represent Mr. Smith in the contempt matter because that is urgent and such representation is compatible with Munsch Hardt's duties; and (ii) for any other matter that Mr. Smith may wish to undertake or object to, the Court can and should afford Mr. Smith a reasonable period of time to locate replacement counsel. In the meantime, Mr. Smith is capable of setting forth his views to the Court, as he has done already. While CRR, as an artificial entity, needs legal counsel to appear in federal court, Munsch Hardt is not aware of any pressing matter involving CRR. Conversely, Munsch Hardt will be prejudiced if it is not permitted to withdraw.
- 6. The undersigned has conferred with Mr. Smith regarding this Motion and has inquired into whether Mr. Smith opposes or consents to the withdrawal. Mr. Smith has not affirmatively responded one way or the other. Munsch Hardt therefore assumes that Mr. Smith will object to this Motion and presents this Motion as opposed. Munsch Hardt has advised the

Debtors to seek replacement counsel, but it does not know whether they are in that process and

what the timing of any such process may be.

7. Munsch Hardt is unable to state more but assures the Court that it has done

everything it reasonably could to avoid a withdrawal. Munsch Hardt is not seeking a withdrawal

because of inconvenience, petty disagreements, delay, whining, or to avoid the risks and

responsibilities that it signed up for.

WHEREFORE, PREMISES CONSIDERED, Munsch Hardt respectfully requests that the

Court enter an order authorizing it and all of its attorneys to withdraw from representing the

Debtors in this Bankruptcy Case, and for such other and further relief to which it may be justly

entitled.

RESPECTFULLY SUBMITTED this 21st day of February, 2022.

MUNSCH HARDT KOPF & HARR, P.C.

By: /s/ Davor Rukavina

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ATTORNEYS FOR DARYL SMITH

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on this the 21st day of February, 2022, he caused a true and correct copy of this document to be served electronically by the CM/ECF system on the following parties:

Thomas Daniel Berghman on behalf of Debtor Canadian River Ranch, LLC tberghman@munsch.com

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Morris D. Weiss on behalf of Trustee Gregory S. Milligan morris.weiss@wallerlaw.com; sherri.savala@wallerlaw.com; annmarie.jezisek@wallerlaw.com; annmarie.jezisek@wallerlaw.com;

A true and correct copy of this document is also being sent to the Debtors via U.S. Mail at their last known mailing addresses and via e-mail to dsmith1114@gmail.com:

Daryl Greg Smith 5826 Cooksey Ln Robinson, TX 76706 Canadian River Ranch, LLC c/o Daryl Greg Smith, Managing Member 5826 Cooksey Ln Robinson, TX 76706

By: <u>/s/ Thanhan Nguyen</u>
Thanhan Nguyen, Esq.